IN THE

Supreme Court of the United States

OCTOBER TERM, 1960

No. .....

JOHN HAMPTON and DOROTHY HAMPTON,

Petitioners,

v.

PARAMOUNT PICTURES CORPORATION, and
EASTMAN KODAK COMPANY,

Appellees.

PETITION OF JOHN HAMPTON AND DOROTHY HAMPTON FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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John Hampton and Dorothy Hampton (hereinafter referred to as "Hampton") pray that a writ of certiorari issue to review the order and opinion of the United States Court of Appeals for the Ninth Circuit, entered in the above case on June 2, 1960.

OPINIONS BELOW

The opinion of the Court of Appeals in which it entered its order of the same date with respect to which Hampton here seeks certiorari is dated June 2, 1960. It upholds the order of the District Court enjoining defendant Hampton

from exhibiting the silent motion picture film "The Covered Wagon" for profit without the consent of Paramount Pictures Corporation (hereinafter "Paramount"). No damages were awarded, and the third party complaint by Hampton against Eastman Kodak Company (hereinafter "Eastman") and Kodascope Libraries, Inc. (hereinafter "Kodascope") was dismissed without prejudice. The opinion is reported at 125 U. S. P. Q. 623, and is printed in Appendix B.

The opinion and order of the District Court from which Hampton appealed is dated December 22, 1958. It enjoined Hampton from exhibiting for profit "The Covered Wagon", and dismissed the third party complaint of Hampton against Paramount and Kodascope. The opinion is printed in Appendix C.

The order of the District Court on Hampton's motion for a new trial is dated March 27, 1959. It held that plaintiff was not guilty of laches and that there was no basis for a new trial.

JURISDICTION

The order of the Court of Appeals for the Ninth Circuit is dated and was entered on June 2, 1960. The jurisdiction of this court is invoked under 28 U. S. C. 1254 (1).

QUESTIONS PRESENTED

1. Is the unconditional purchase (by Hampton) of a positive print of a copyrighted silent motion picture film ("The Covered Wagon") from an authorized agent (East-

man and Kodascope) of the owner of the film (Paramount) restricted under the Copyright Law, so that the specific print purchased may not be exhibited "for profit"?

2. Assuming that the exhibition could be so restricted, is there abandonment under the Copyright Law by failure of the owner (Paramount) for a period of 25 years to assert any rights although Petitioner (Hampton) openly advertised and exhibited the film print for profit during over 13 years in the motion picture colony in a theater near Paramount Studios?

3. Assuming both a restriction and an abandonment, is the abandonment by Paramount nullified by the renewal by Paramount of the copyright of the film?

STATUTES INVOLVED

17 U. S. C. §1(a)-(d)
17 U. S. C. §24 are set forth in Appendix A.

STATEMENT OF FACTS

On June 15, 1927, a predecessor of Paramount as assignee of the copyright entered into a written agreement with Kodascope, a subsidiary of Eastman. Under this agreement Kodascope was given certain rights, among others, to make prints of certain films for "non-theatrical exhibitions." Eighteen films were transferred by this agreement, including "The Covered Wagon."

This agreement specifically provided:

> "It is mutually understood and agreed that the license hereby made shall be co-extensive with the right or license of Paramount to exhibit or distribute such motion picture photoplay, subject to any limitation by way of contract or copyright duration with respect to the use of the literary material on which such motion picture photoplay may be based, . . ." (Exh. 3 Par. 5)

No limitation as to literary material is involved.

The agreement was *not* recorded in the copyright office pursuant to 17 U. S. C. §30.

About 1930 silent films were considered obsolete for general commercial exhibitions. From that time on Kodascope rented and sold 16 mm. prints of these films *without restriction.* They were openly advertised in catalogs of Kodascope and many other distributors, and were openly sold and traded by Kodascope and other dealers, all without restriction.

On February 21, 1938, Hampton purchased from Kodascope a 16 mm. print of "The Covered Wagon." Hampton used this print in road shows and subsequently in Hollywood. In 1942 Hampton built a special building known as the "Silent Movie Theater" for exhibiting 16 mm. prints of silent moving pictures in Hollywood. He has been showing such films there continuously since that time. "The Covered Wagon" was openly exhibited for profit at this theater on a number of occasions.

Hampton exhibited not only "The Covered Wagon" at this theater, but also all of the other seventeen Paramount

films which were transferred by the 1927 agreement. All eighteen of these films were known as "Kodascope film prints."

On April 21, 1954, an attorney for Paramount telephoned to Hampton and told him that any exhibition of that print of "The Covered Wagon" owned by Hampton would constitute an infringement of Paramount's copyright. Notwithstanding this notice Hampton commercially exhibited this moving picture at his Hollywood theater on April 27, 1955.

On April 28, 1955, Paramount sent Hampton a telegram notifying him to cease and desist from all further exhibition of "The Covered Wagon". The film was nevertheless continually shown for the remainder of the week. Paramount filed its complaint herein on December 22, 1955.

On December 22, 1958, the district court issued a permanent injunction ordering Hampton to cease and desist from exhibiting "for profit" "The Covered Wagon". On June 2, 1960, this decision was affirmed in the United States Court of Appeals for the Ninth Circuit.

REASONS FOR GRANTING THE WRIT

1. The Circuit Court erred in its interpretation of the copyright law.

Hampton is a bona fide purchaser for value of a film print. There was no restriction placed upon its use by the authorized seller (Kodascope). It is, however, contended that the terms of the agreement (never enforced) between

the seller (Kodascope) and the owner (Paramount) restricted the use by any purchaser to "non-theatrical exhibitions." It is submitted that the Copyright Law does not provide for a restriction of this type (17 U. S. C. §1), there being no such agreement between the owner and the purchaser. See *Bobbs Merrill Co.* v. *Strauss*, 210 U. S. 339 (1907). In any event, the chattel sold should not by implication have a servitude. *R. C. A.* v. *Whiteman*, 114 F. 2d 86 cert. denied 311 U. S. 712 (1940).

2. The holding of the Ninth Circuit is wrong and conflicts with the holding of the Second Circuit and the law of the State of New York.

It is established law, by *Universal Film Mfg. Co.* v. *Copperman*, 218 Fed. 577 (2d Cir.) cert. denied 235 U. S. 704 (1914) that the purchaser of a positive print of a film acquires the right to exhibit it for profit.

The Court of Appeals of the State of New York, where a picture (work of art) was concerned, held in *Pushman* v. *N. Y. Graphic Society*, 287 N. Y. 302, 39 N. E. (2) 249 (1942) that a transfer without an express reservation gives the purchaser reproduction rights.

3. The renewal copyright as a new grant cutting off previous arrangements, deserves interpretation.

In the District Court, the appellee Paramount argued that it was not guilty of laches and that, having renewed its copyright on "The Covered Wagon," it could not be met with the charge of abandonment during the original term of copyright.

Colloquy on the argument in connection with appellant Hampton's motion for a new trial (at page 14 thereof) follows:

Counsel for Hampton, Mr. Randles:

> "This raises the same question, your Honor, as if a man drives his car over a piece of land and uses it for a roadway for some twenty years, and then when the man comes in and objects and says, 'I am only objecting to the trip you made yesterday, and not before.'
>
> The Court: If that were true you would have won this case. But that isn't true with respect to renewal of copyright.
>
> Mr. Randles: Well now, this is the—
>
> The Court: The renewal of a copyright gives birth to a newborn child legally, doesn't it?"

It is possible for the renewal to be subject to the prior situation. See *Marks Music Corp.* v. *Continental Record Co.*, 222 F. 2d 488, cert. denied 350 U. S. 861. In the case of *McMahon* v. *Harms*, despite a renewal, the defense of laches was recognized (42 F. Supp. 799, S. D. N. Y. 1942).

This Court has recently granted certiorari in two cases concerning narrow aspects of the renewal provision, 17 U. S. C. §24. The cases of *Miller Music Corp.* v. *Charles M. Daniels*, 125 U. S. P. Q. 147 (1960) and *De Sylva* v. *Ballentine*, 351 U. S. 570 concerned only the question of succession rights in an author's renewal. Much more important is the question of the effect of renewal.

CONCLUSION

This is a contest between a very lax alleged proprietor (Paramount) of a copyright and a bona fide purchaser for value (Hampton) from a duly authorized agent (Kodascope) of said lax proprietor, of a copy (positive film print) of the work subject to copyright. The purchaser has the right to fulfill the function of such copy, which is to exhibit it. However, it is now restricted to showings *not* "for profit," because of an agreement between the agent and the principal (Paramount) as to which the purchaser (Hampton, and, incidentally, many others similarly situated) had no knowledge. The Copyright Law grants no right to a copyright proprietor which can sustain this determination, nor can it be sustained in law or equity. The Ninth Circuit is in conflict with the Second Circuit.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A

Statutes Involved

§1. Exclusive Rights as to Copyrighted Works

Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

(a) To print, reprint, publish, copy, and vend the copyrighted work;

(b) To translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it if it be a nondramatic work; to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art;

(c) To deliver, authorize the delivery of, read, or present the copyrighted work in public for profit if it be a lecture, sermon, address or similar production, or other nondramatic literary work; to make or procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, delivered, presented, produced, or reproduced; and to play or perform it in public for profit, and to exhibit, represent, produce, or reproduce it in any manner or by any method whatsoever. The damages for the infringement by broadcast of any work referred to in this subsection shall not exceed the sum of $100 where the infringing broadcaster shows that he was not aware that he was infringing and that such infringement could not have been reasonably foreseen; and

(d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any

method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method whatsoever; and . . .

§24. Duration; Renewal and Extension

The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *Provided*, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.

APPENDIX B

Opinion of Court of Appeals

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 16,486

June 2, 1960

JOHN HAMPTON and DOROTHY HAMPTON,

Appellants,

vs.

PARAMOUNT PICTURES CORPORATION, and EASTMAN KODAK COMPANY,

Appellees.

Appeal from the United States District Court for the Southern District of California Central Division

---

Before: Barnes, Hamley, and Jertberg, Circuit Judges

HAMLEY, Circuit Judge:

This copyright infringement suit in which injunctive relief and damages were sought involves the silent motion picture film, "The Covered Wagon," produced in 1923. The plaintiff is Paramount Pictures Corporation which, through a predecessor corporation, holds the copyright by assignment from the original producer, Famous Players-

Lasky Corporation. The defendants are John and Dorothy Hampton, herein referred to as Hampton.

In addition to answering Paramount's complaint Hampton filed a complaint as third-party plaintiff against Eastman Kodak Company and Kodascope Libraries, Inc., as third-party defendants. In this third-party complaint, based on asserted breach of warranty and fraud, Hampton sought a monetary recovery equal to whatever damages the court might award Paramount against Hampton.

The cause was tried to the court without a jury. In the judgment thereafter entered Hampton was enjoined from exhibiting "The Covered Wagon" for profit without the consent of Paramount. No damages were awarded, and the third-party complaint against Eastman and Kodascope was dismissed without prejudice.

Hampton appeals, contending: (1) By contract between Paramount and Kodascope the latter had been given power to sell a 16 mm. print of "The Covered Wagon" to Hampton for commercial exhibition; (2) Paramount abandoned its rights to the release of substandard-size prints of the film in question; (3) Paramount is estopped to enjoin the exhibition of the film by Hampton; and (4) the action is barred because of laches on the part of Paramount.

On June 15, 1927, a predecessor of Paramount as assignee of the copyright entered into a written agreement with Kodascope, a subsidiary of Eastman. Under this agreement Kodascope was given certain rights to produce prints of certain films for "non-theatrical exhibitions." Eighteen films were transferred by this agreement, including "The Covered Wagon."

About 1930 silent films were considered obsolete for general commercial exhibitions. From that time on Kodascope rented and sold 16 mm. ("substandard") prints of these films without restriction. They were openly adver-

tised in catalogs of Kodascope and many other distributors, and were openly sold and traded by Kodascope and other dealers, all without restriction.

On February 21, 1938, Hampton purchased from Kodascope a 16 mm. print of "The Covered Wagon." This print bore a notice of Paramount's copyright on the runner or leader film immediately preceding the film of the photoplay itself. Hampton used this print in road shows and subsequently in Hollywood. In 1942 Hampton built a special building known as the "Silent Movie Theater" for exhibiting 16 mm. prints or silent moving pictures in Hollywood. He has been showing such films there continuously since that time. "The Covered Wagon" was exhibited for profit at this theater on four occasions, as follows: three days in March 1942, six days in November 1948, seven days in Januray 1952, and seven days in April 1955.

Hampton exhibited not only "The Covered Wagon" at this theater, but also all of the other seventeen Paramount films which were transferred by the 1927 agreement. All eighteen of these films were known as "Kodascope film prints." One-week showings of these other films were exhibited on fifty-two separate occasions from 1942 to June 25, 1953. It was on or about the latter date, according to Paramount's answer to an interrogatory, that Paramount first learned of an instance in which a Kodascope film print was being used commercially. In answer to another interrogatory it was stated that on or about January 29, 1954, Paramount first learned of an instance in which a Kodascope print was sold.

On April 21, 1954, an attorney for Paramount telephoned to Hampton and told him that he had no right to exhibit "The Covered Wagon," and that any exhibition of that print would constitute an infringement of Paramount's copyright. Notwithstanding this notice Hampton commer-

cially exhibited this moving picture at his Hollywood theater on April 27, 1955.

On April 28, 1955, Paramount sent Hampton a telegram notifying him to cease and desist from all further exhibition of "The Covered Wagon." The film was nevertheless continually shown for the remainder of the week. Paramount filed its complaint herein on December 22, 1955.

Hampton's first point on appeal is that the contractual arrangement between Paramount and Kodascope gave the latter power to sell a 16 mm. print of "The Covered Wagon" to Hampton for commercial exhibition. According to appellant the contractual arrangement amounted to an assignment of the right to exhibit substandard films and was not a mere restricted license. Appellant contends that one who assigns, rather than licenses, the right to exhibit a film loses the power to restrict the use of the picture.

In support of his view that the contractual arrangement between Paramount and Kodascope was an assignment and not a license, appellant points to certain provisions contained in or absent from that contract. It is asserted that the contract contains no limitation as to time; a flat lump-sum payment was to be made for each film transferred; there was no requirement that outstanding prints and negatives were to be returned; no limitation was placed on the right to alter or abridge the films transferred; and the contract gave Kodascope exclusive territorial rights co-extensive with the rights of Paramount.

If the contract in question were ambiguous with regard to its nature as an assignment or a license or as to the purposes for which Kodascope might make reproductions, the fact that provisions of the kind referred to above were present or absent would be helpful in construing the instrument. Here, however, the contract expressly provides that Paramount "licenses" Kodascope to do certain things,

thereby precluding a construction that there was an assignment. Moreover, the things Kodascope was licensed to do were to make reproductions of the photoplays "and to license the use thereof . . . ," thereby precluding a construction that Paramount gave Kodascope the right to sell such reproductions.

If it be assumed, however, that the contract between Paramount and Kodascope was an assignment, and that Kodascope was thereby given power to sell reproductions, the fact remains that any such power to sell was not unlimited, but was expressly restricted. The power gained by Kodascope under the 1927 agreement was to make miniature reproductions of certain photoplays and to license the use thereof "for strictly non-theatrical exhibitions." It is not contended that appellant has been using "The Covered Wagon" for a nontheatrical exhibition.

The instant case is to be distinguished from Universal Film Mfg. Co. v. Copperman, 2 Cir., 218 Fed. 577, relied upon by appellant. It was there held that where the producer of a photoplay unconditionally sold a positive print thereof, the purchaser and his assigns acquired the right to exhibit such film notwithstanding the fact that the film was later copyrighted.

The sale in Universal was unconditional; it was made by the original owner prior to copyright; and, the sale was of a tangible positive print. In our case the sale was not by the original owner, but by a licensee thereof and was made after copyright. While Kodascope may have purported to unconditionally sell a positive print, its only authority from Paramount was to reproduce miniature prints and license them for nontheatrical use.

It follows that appellant's commercial exhibition of "The Covered Wagon" is not authorized by any power which Paramount placed in the hands of Kodascope by virtue of the 1927 contract.

Appellant argues further, however, that Paramount abandoned its right to "The Covered Wagon" at least as to the release of 16 mm. films. In this connection appellant points out that Paramount failed for a period of over twenty-five years to take any action in regard to "The Covered Wagon" and the seventeen other films transferred by the 1927 agreement. Specific reference is made to the Paramount film "Grass" which has apparently been listed for years in publicized film lists, notwithstanding the fact that both Paramount and Eastman deny any record of transfer of rights. According to appellant, silent films were considered practically worthless after 1930, and it was not until the advent of television that Paramount attempted to enforce its copyright.

Rights gained under the Copyright Law, 17 U. S. C. A. 1, et seq., may be abandoned. Abandonment of such rights, however, must be manifested by some overt act indicative of a purpose to surrender the rights and allow the public to copy. National Comics Publications v. Fawcett Publications, 2 Cir., 191 F. 2d 594, 598.

Evidence of such an overt act is here totally lacking. There was at most lack of action.

On this abandonment question appellant relies upon Egner v. Schirmer Music Co., 1 Cir., 139 F. 2d 398. It there appeared that Edmund L. Gruber wrote and composed the words and music to "The Caissons Go Rolling Along" in 1908, but did not apply for a copyright until 1930. In the meantime, in 1921, Gruber gave others permission to include the song in a publication issued in that year. Affirming a judgment for the defendant in a copyright infringement suit, the court of appeals said: "... this [1921] publication and sale with the consent of Gruber amounted to such a general publication as to dedicate the song to the public and worked an abandonment of Gruber's common-law right to a copyright."

The facts of the instant case are entirely different than those which were present in Egner v. Schirmer. There was here no consent to public use prior to copyright. Nor did Paramount give Kodascope permission to sell the prints for commercial exhibition. We fail to see the relevance of appellant's reference to the "Grass" film.

In our opinion the trial court did not err in concluding that Paramount did not abandon its rights under "The Covered Wagon" copyright.

Another argument advanced by appellant is based on the principle of estoppel. It is asserted that Paramount had knowledge or should have had knowledge of the open use and advertising of "The Covered Wagon" and the other seventeen films. By nevertheless remaining silent and failing to act, it is contended, Paramount has allowed appellant to change his position and is therefore estopped to enjoin the exhibition of the film.

Four elements must be present to establish the defense of estoppel: (1) The party to be stopped must know the facts; (2) he must intend that his conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe it is so intended; (3) the latter must be ignorant of the true facts; and (4) he must rely on the former's conduct to his injury. California State Board of Equalization v. Coast Radio Products, 9 Cir., 228 F. 2d 520, 525.

The trial court assumed the existence here of the first of these elements and made no mention of the third. However, the court held against appellant on the second and fourth elements. Specifically, the court found that there was no holding out by Paramount or any change of position by Hampton in reliance upon any act of omission by Paramount.

A holding out may be accomplished by silence and inaction. 3 Pomeroy's Equity Jurisprudence, 5th ed., §818.

But Paramount's assertion of copyright was clearly printed on the film in question in strict accordance with statutory requirements. Paramount had the right to assume that this printed assertion of right, which was flashed on the screen every time the film was shown, provided ample notice to Hampton of Paramount's interest in the film. Being charged with this notice, Hampton could easily have ascertained the facts by making inquiry of Paramount.

The doctrine of equitable estoppel does not erase the duty of due care and is not available for the protection of one who has suffered loss solely by reason of his own failure to act or inquire. See Rex v. Warner, 183 Kan. 763, 332 P. 2d 572. The real cause of Hampton's trouble was not his lack of knowledge of Paramount's interest. Rather, it was his unwarranted reliance on the assertion of a third party and his failure to use the means at hand to ascertain the extent of the interest asserted. See Marks v. Bunker, 165 C. A. 2d 695, 332 P. 2d 340.

We conclude that the trial court's finding of fact that there was no holding out by Paramount on which Hampton was entitled to rely is not clearly erroneous.

We reach the same conclusion with regard to the trial court's finding of fact that there was no change of position by Hampton in reliance upon any act of omission by Paramount. As stated above, any change of position by Hampton was in reliance upon the representations of the third parties and despite the notice conveyed to him by Paramount's assertion of right printed on each film. In so far as the building of Hampton's Silent Movie Theater is asserted to be a change of position, it must also be noted that this theater was not built to show just "The Covered Wagon" or just the eighteen Paramount films which Hampton acquired from Kodascope.

In view of the conclusions stated above it is unnecessary to decide whether under the evidence Paramount must be deemed to have had knowledge that Hampton was making unauthorized use of the films. As before stated, the trial court made no finding as to this, but predicated his holding on the issue of estoppel on other findings which in our opinion have ample support in the evidence. The court did not err in concluding therefrom that Paramount was not estopped from obtaining relief in this action.

Finally, appellant contends that there was such a delay by Paramount in bringing this action that it is barred by laches. Appellant's argument on this point proceeds on the assumption that Paramount delayed over twenty-five years in bringing the action after "The Covered Wagon" and other Paramount-Kodascope films had been openly sold and used without restrictions. Similarly, appellant asserts, Paramount delayed seventeen years in bringing the action after the purchase of a 16 mm. print of "The Covered Wagon" by appellant, and thirteen years after appellant began commercial exhibition of it in Hollywood.

The judgment entered contains no award of damages for past unauthorized commercial use of the films in question. Only future use of the films is enjoined. Hence, Paramount's knowledge in years past, prior to asserting a specific claim against Hampton, is immaterial. This action is grounded upon the 1955 infringements alone, and was commenced less than nine months thereafter.

We conclude that the trial court did not err in holding that this action is not barred by laches.

Affirmed.

(Endorsed) Opinion Filed June 2, 1960.

FRANK H. SCHMID, Clerk.

APPENDIX C

Opinion of the District Court

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA
CENTRAL DIVISION

No. 19254-WM

PARAMOUNT PICTURES CORPORATION,

Plaintiff,

v.

JOHN HAMPTON and DOROTHY HAMPTON,

Defendants and Third-Party Plaintiffs,

v.

EASTMAN KODAK COMPANY and KODASCOPE LIBRARIES, INC.,

Third-Party Defendants.

ORDER FOR FINDINGS AND JUDGMENT

This cause having been tried and submitted for decision; and it appearing to the Court that:

(1) At the time of the sale in 1938 by third-party defendants to defendants and third-party plaintiffs of the 16 mm. film of plaintiff's motion picture "The Covered Wagon", a notice of plaintiff's copyright

in proper form as required by the statute appeared, and now appears, on the runner or leader film immediately preceding the film of the photoplay itself;

(2) The 1927 agreement between plaintiff and third-party defendants did not operate as an assignment of plaintiff's right of public performance for profit [17 U. S. C. §1(d)], so the right of commercial exhibition has at all times remained vested in plaintiff [*Interstate Hotel Co.* v. *Remick Music*, 157 F. 2d 744, 745-746 (8th Cir. 1947), *cert. denied*, 329 U. S. 809 (1946); *Photo Drama Motion Picture Co.* v. *Social Uplift Film Corp.*, 213 F. 2d 374, 377 (D. C. S. D. N. Y. 1914), *aff'd and modified on other grounds*, 220 Fed. 448 (2d Cir. 1915); *Field* v. *True Comics*, 89 F. Supp. 611 (S. D. N. Y. 1950); *Davenport Quigley Expedition* v. *Century Productions*, 18 F. Supp. 974 (S. D. N. Y. 1937); *cf*: *Commissioner* v. *Wodehouse*, 337 U. S. 369, 401 (1948) (dissenting opinion); *Herwig* v. *United States*, 105 F. Supp. 384 (Ct. Cl. 1952)];

(3) The statutory rights of plaintiff as copyright owner exists entirely separate from ownership of the copyrighted article [17 U. S. C. §27; *Stevens* v. *Gladding, et al.*, 58 U. S. (17 How.) 447 (1854); *Stephens* v. *Cady*, 55 U. S. (14 How.) 528 (1852); *Harms, et al.* v. *Cohen*, 279 Fed. 276 (E. D. Pa. 1922)];

(4) The evidence does not establish any abandonment of "The Covered Wagon" copyright by plaintiff [*cf*: *National Comics Publications* v. *Fawcett Publications*, 191 F. 2d 594, 597-598 (2d Cir. 1951), rehearing 198 F. 2d 927 (2d Cir. 1952)];

(5) Defendants acquired their theatre at 611 Fairfax Avenue, Los Angeles, prior to February of 1942, and "The Covered Wagon" has since been

publicly exhibited for profit by defendants on four occasions: for three days in March of 1942; for six days in November of 1948; for seven days in January of 1952; and for seven days in April of 1955;

(6) Assuming *arguendo* that plaintiff was fully aware of the activities of defendants throughout, the evidence does not show any holding out by plaintiff [*Brady* v. *Reliance Motion Picture Corp.*, 229 Fed. 137 (2d Cir. 1916); *cf. Henry Bill Pub. Co.* v. *Smythe*, 27 Fed. 914 (S. D. Ohio 1886); and see *Shapiro, Bernstein & Co.* v. *Jerry Vogel Music Co.*, 161 F. 2d 406 (2d Cir. 1947); 17 U. S. C. §§10, 191, or any change of position by defendants in reliance upon any act of omission of plaintiff [*Dickerson* v. *Colgrove*, 100 U. S. 578, 580 (1879); *Matsuo Yoshida* v. *Liberty Mutual Ins. Co.*, 240 F. 2d 824, 830 (9th Cir. 1957); *First National Bank of Portland* v. *Dudley*, 231 F. 2d 396, 400 (9th Cir. 1956); and see *Van Antwerp* v. *United States*, 92 F. 2d 871, 875 (9th Cir. 1937)];

(7) Although plaintiff would be guilty of unreasonable delay if claims arising from earlier infringements were here asserted, this action is grounded upon the 1955 infringements alone, and was commenced less than nine months thereafter, on December 22, 1955; so it cannot be held that plaintiff is guilty of laches in asserting the claims here presented [*cf*: *Southern Pacific Co.* v. *Bogert*, 250 U. S. 478, 490 (1918); *Townsend* v. *Vandewerker*, 160 U. S. 171, 186 (1895); *Menendez* v. *Holt*, 128 U. S. 514, 523-525 (1888); *Matter of National Moulding Co.*, 230 F. 2d 69, 72 (3d Cir. 1956); *Brennan* v. *Hawley Products Co.*, 182 F. 2d 945 (2d Cir. 1950), *cert. denied*, 340 U. S. 865 (1950); *California Pack-*

ing Corp. v. *Sun-Maid Raisin Growers*, 81 F. 2d 674 (9th Cir. 1936); *Phillips* v. *The Governor & Co.*, 79 F. 2d 971 (9th Cir. 1935); *D. O. Haynes & Co.* v. *Druggist Circular*, 32 F. 2d 215 (2d Cir. 1929)];

(8) Accordingly plaintiff is entitled to injunctive relief against further unauthorized exhibitions for profit of the motion picture "The Covered Wagon" [17 U. S. C. §§1(a), 112] but, inasmuch as defendants' profits of $77.79 from the infringements complained of were established at the trial, and there was no evidence of actual damages, the court may, and here should, decline to award any statutory or "in lieu of" [17 U. S. C. §101(b)] damages [*cf*: *Woolworth Co.* v. *Contemporary Arts*, 344 U. S. 228 (1952); *Sheldon* v. *Metro-Goldwyn Corp.*, 309 U. S. 390, 399 (1939); *cf*: *Universal Pictures Co.* v. *Harold Lloyd Corp.*, 162 F. 2d 354, 378 (9th Cir. 1947); *Malsed* v. *Marshall Field & Co.*, 96 F. Supp. 372, 376 W. D. Wash. 1951); see note, "Monetary Recovery for Copyright Infringement," 67 Harv. L. Rev. 1044, 1055-1056 (1954); and the court should also decline to award any attorney's fees [*Buck* v. *Bilkit*, 63 F. 2d 447 (9th Cir. 1933); *Marks* v. *Leo Feist Inc.*, 8 F. 2d 460 (2d Cir. 1932); *Cain* v. *Universal Pictures Co., Inc.*, 47 F. Supp. 1013 (S. D. Cal. 1942)], but should award costs to plaintiff [17 U. S. C. §116; *Amsterdam* v. *Triangle Publications*, 189 F. 2d 104 (3d Cir. 1951); *Official Aviation Guide Co.* v. *American Aviation Associates*, 162 F. 2d 541 (7th Cir. 1947)], were it not for the fact that plaintiff has waived in open court all monetary recovery in this case; and

(9) Inasmuch as no monetary award is to be made to plaintiff on the complaint, it is unnecessary to reach the merits of the third-party complaint;

Accordingly, findings of fact, conclusions of law and judgment for injunctive relief only are hereby ordered in favor of plaintiff and against defendants on the complaint, and will be served and lodged with the Clerk by the attorney for plaintiff pursuant to Local Rule 7 within five days.

It is Further Ordered that the judgment shall decree the dismissal of the third-party complaint without costs to any party, and shall declare that the dismissal of the third-party complaint shall not constitute an adjudication upon the merits of any of the issues tendered thereby. [Fed. R. Civ. P., Rule 41(b).]

It is Further Ordered that the Clerk this day serve copies of this order by United States mail upon the attorneys for the parties appearing in this cause.

December 22, 1958.

/s/ Wm. C. Mathes
Wm. C. Mathes
United States District Judge

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IN THE

Supreme Court of the United States

October Term, 1960.
No. 365

JOHN HAMPTON and DOROTHY HAMPTON,
Petitioners,

vs.

PARAMOUNT PICTURES CORPORATION, and EASTMAN KODAK COMPANY,
Appellees.

Brief of Appellee Paramount Pictures Corporation in Opposition to Petition for Certiorari to the United States Court of Appeals for the Ninth Circuit.

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IN THE

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JOHN HAMPTON and DOROTHY HAMPTON,

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PARAMOUNT PICTURES CORPORATION, and EASTMAN KODAK COMPANY,

Appellees.

Brief of Appellee Paramount Pictures Corporation in Opposition to Petition for Certiorari to the United States Court of Appeals for the Ninth Circuit.

Opinions Below.

Petitioners refer (Pet. p. 2) to the Order of the District Court dated March 27, 1959 on petitioners' motion for a new trial. However, said Order is not set forth in petitioners' brief. Accordingly, said order is set forth herein in Appendix A.

Questions Presented.

Petitioners have set forth as the first question presented the following:

> "1. Is the unconditional purchase (by Hampton) of a positive print of a copyrighted silent motion picture film ("The Covered Wagon") from an authorized agent (Eastman and Kodascope) of

the owner of the film (Paramount) restricted under the Copyright Law, so that the specific print purchased may not be exhibited 'for profit'?"

The question as thus presented is based upon a false premise in that it assumes that Eastman and Kodascope were "an authorized agent" of Paramount for the purpose of selling positive prints of the silent motion picture film "The Covered Wagon". As the Court of Appeals determined in its Opinion below (Pet. p. 5b) the agreement between Paramount and Kodascope dated June 15, 1927 (hereinafter referred to as the "Kodascope Agreement") precluded a construction that Paramount gave Kodascope the right to sell positive prints of "The Covered Wagon". Moreover, even if the Kodascope agreement were construed to give Kodascope such a right, clearly under the terms the Kodascope Agreement, Kodascope would have the power to sell such prints only "for strictly non-theatrical exhibitions". (See Court of Appeals Opinion, Pet. p. 5b). Therefore, the first question presented as stated by petitioners (Pet. p. 2) should be reformulated into the following questions:

1. Does the sale of a tangible positive print of a copyrighted motion picture film in itself convey to the purchaser any rights under the copyright Act (17 U. S. C., Sec. 1) with respect to such print if the seller pursuant to such sale does not purport to grant any rights under the Copyright Act?

2. Can the purchaser of a tangible positive print of a copyrighted motion picture film acquire any rights under the Copyright Act with respect to such print where the seller had no authority to sell such print?

3. Can the purchaser of a tangible positive print of a copyrighted motion picture film acquire any rights

under the Copyright Act with respect to such print greater than the rights theretofore acquired by the seller from the copyright proprietor?

Statutes Involved.

In addition to the statutory provisions referred to by petitioners (Pet. p. 3) the Court is respectfully directed to 17 U. S. C. Section 27 which is set forth in Appendix B.

Statement of the Case.

Petitioners' statement should be supplemented as follows:

1. The only rights acquired by Kodascope from Paramount under the said Kodascope Agreement limited Kodascope to " . . . strictly non-theatrical exhibitions". [Par. 1, Ex. 3.] Petitioners' exhibitions of the print of "The Covered Wagon" acquired by petitioners from Kodascope and Eastman were exhibitions of a "theatrical" as distinguished from a "non-theatrical" nature.

2. Eastman, in selling a 16 mm. print of "The Covered Wagon" to petitioners did not, and did not purport to grant to petitioners the right to exhibit said print for "theatrical" purposes.

3. Appellee first knew that Kodascope prints of films, the copyrights of which were held by appellee, were being used commercially on or about June 25, 1953. [R. 38.]

4. Appelee first learned of an instance of a sale of a Kodascope print of a film, whose copyright was held by appellee, on or about January 29, 1954. [R. 38.]

5. On April 21, 1954, appellee first learned that petitioners had exhibited "The Covered Wagon". [R. 33.]

6. On April 21, 1954, appellee informed petitioner John Hampton that petitioners had no right to exhibit the print of "The Covered Wagon," and that any exhibition of such print would constitute an infringement of appellee's rights. [Rep. Tr. p. 19.]

7. On or about April 27, 1955, petitioners exhibited at their theatre, known as the Silent Movie Theatre, a print of "The Covered Wagon," which exhibition was repeated eleven additional times during a period of approximately seven successive days, each such exhibition being open to members of the public upon payment of admission fees, which fees were retained by the petitioners in connection with their business of operating the said theatre. [Rep. Tr. p. 8.]

8. On April 28, 1955, appellee sent written notice by telegraph, to petitioner John Hampton, which notice, received by said petitioner, required him to cease and desist from all further exhibition of "The Covered Wagon." [Rep. Tr. p. 8.]

9. After receipt of such notice, petitioners continued to make the aforesaid exhibitions of the aforesaid positive print of "The Covered Wagon," and threatened to continue or resume such exhibition. [Rep. Tr. p. 8.]

10. Appellee filed its complaint in the present action on December 22, 1955, [R. 13], less than nine months after the aforesaid exhibitions by petitioners.

11. Prior to the exhibitions of "The Covered Wagon" alleged in the complaint, the only times the petitioners theretofore exhibited "The Covered Wagon" were during a period of three days in March, 1943, six days in November, 1948, and seven days in January 1952. (Defendants' Request for Admission, dated November 16, 1956).

ARGUMENT.

I.

No Important and Unsettled Question of Federal Law Is Here Presented.

The Court of Appeals did not err in its interpretation of the copyright law. It is long settled that the purchaser of a tangible copy of a copyrighted work does not merely by reason of such purchase acquire any rights under the Copyright Act. *Stevens v. Gladding*, 17 How. 447, 15 L. Ed. 155 (1854); *Stephens v. Cady*, 14 How. 528, 14 L. Ed. 528 (1852). Moreover, the Copyright Act itself (17 U. S. C.) expressly provides at Section 27:

> "The copyright is distinct from the property and the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object; but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained."

The necessary implication of petitioners' argument is that one who purchases a published and copyrighted copy of printed sheet music thereby acquires the right to publicly perform such music for profit. This clearly is contrary to established principles of copyright law. *Buck v. Jewell-La Salle Realty Co.*, 283 U. S. 191, 75 L. Ed. 971 (1931). On the contrary, it is well established that even if the copyright proprietor grants another right under the Copyright Act (*e.g.*, the right to sell

copies) this does not divest the copyright proprietor of other rights under the Copyright Act (*e.g.*, the right to publicly perform the work for profit. *Buck v. Jewell-La Salle Realty Co., supra; Interstate Hotel Co. of Nebraska v. Remick Music Corp.*, 157 F. 2d 744, (8th Cir. 1946.) In fact, in construing Section 27 of the Copyright Act quoted above (formerly Sec. 41), it has been precisely held that the sale of a tangible print of a copyrighted motion picture film does not in itself convey the right to exhibit such film. *Davenport Quigley Expedition, Inc. v. Century Productions, Inc.*, 18 Fed. Supp. 974. (S. D. N. Y. 1937.)

Petitioners rely upon the case of *Bobbs-Merrill Co. v. Strauss*, 210 U. S. 339 (1907), as upholding the proposition that the purchaser of a tangible positive print of a copyrighted motion picture film may by reason of such purchase theatrically exhibit such print even though the copyright proprietor has not consented to such exhibition. The *Bobbs-Merrill* case, however, does not in any way uphold this proposition. On the contrary, as was pointed out by this Honorable Court in *Buck v. Jewell-La Salle Realty Co., supra*, the *Bobbs-Merrill* case merely holds that a copyright proprietor who sells a tangible copy of the work may not thereafter control the resale of such copies. However, despite such sale the copyright proprietor continues to reserve the right to control performances of the work embodied in such copy. *Buck v. Jewell-La Salle Realty Co., supra.* The rule of the *Bobbs-Merrill* case has since been enacted into the Copyright Act in the last phrase of Section 27:

"... but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any

copy of a copyrighted work the possession of which has been lawfully obtained."

Clearly this does not invalidate the reservation of performance or other rights under the Copyright Act held by the copyright proprietor. Moreover, it should be noted that Paramount never sold to Kodascope or Eastman under the Kodascope Agreement or otherwise any tangible copies of Paramount films.

II.

There Is No Conflict Between the Holdings of the Ninth and Second Circuits.

Petitioners argue (Pet. p. 6) that *Universal Film Mfg. Co. v. Copperman*, 218 Fed. 577 (2d Cir. 1914) is in conflict with the holding of the Court of Appeals for the Ninth Circuit in the present action. As indicated in the Opinion of the Court of Appeals below (Pet. p. 5b) there are several grounds for distinguishing the *Universal Film* case from the present action. First, it should be noted that at the time of the sale of the tangible print in the *Universal Film* case the owner of the print had obtained no statutory copyright therein. Consequently, the provisions of Section 27, of the Copyright Act were not applicable. In the present case, since appellee's predecessor was the copyright owner of the motion-picture film "The Covered Wagon" at the time the Kodascope Agreement was executed, and at the time petitioners purchased the film print from Kodascope, the following provisions of Section 27 are clearly applicable:

"The copyright is distinct from the property and the material object copyrighted, and the sale or

conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright . . ."

In addition to the above distinction it should be noted that in the *Universal Film* case the vendor of the film print was itself the owner of unrestricted rights in the common law copyright of the film. In the present action, the owner of the unrestricted rights in the copyright, *i.e.*, the appellee, did not sell any prints either to Kodascope or to the petitioners. Likewise, Kodascope, the seller of the print to petitioners, was not the owner of unrestricted rights in the copyright. It is one thing to say that an owner of unrestricted rights may not attach restrictions in connection with the sale of a print. It is quite another proposition to argue that the owner of a *restricted* right in a film (*i.e.*, Kodascope) may nevertheless pass an unrestricted right to the purchaser of a print.

Moreover, it is surely of significance to note that the Federal District Court for the Southern District of New York in *Davenport Quigley Expedition, Inc. v. Century Productions, Inc.*, 18 Fed. Supp. 974 (S. D. N. Y. 1937), held that the sale of a *copyrighted* motion picture film print did not convey any rights in the copyright thereunder. The District Court in the *Davenport Quigley* case apparently did not regard the *Universal Film* case decided some twenty-three years previously as requiring a contrary decision, even though an earlier opinion in the *Universal Film* case is cited in the *Davenport Quigley* case on another point.

In an attempt to further establish a conflict of decisions, petitioners cite (Pet. p. 6) the New York case of *Pushman v. New York Graphic Society*, 287 N. Y.

302, 39 N. E. 2d 249 (1942). Since the *Pushman* case deals exclusively with a common law copyright claim (so that the provisions of Section 27 of the Copyright Act would not be applicable) the case represents no conflict whatsoever with the present action. Furthermore, in the Pushman opinion itself there is a quotation from *Parton v. Prang*, Fed. Cas. No. 10784, at page 1278 in which the point is made that the rule is different with respect to a statutory copyright as distinguished from a common law copyright. The *Pushman* court goes on the state:

> "We are, of course, concerned here with the so-called common law copyright, not statutory copyright."

Furthermore, even with respect to a common law copyright, the doctrine of the *Pushman* case was subsequently modified in *Chamberlain v. Feldman*, 300 N. Y. 135, 89 N. E. 2d 863 (1949).

III.

The Issue of Alleged Abandonment Is Inappropriate for Review in This Court.

As the Honorable Learned Hand stated for the Court in *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F. 2d 594 (2d Cir. 1951) in order for an author to abandon his copyright in a work he must abandon it by some overt act which manifests his purpose to surrender his rights in the work. The Court in the *National Comics* case concluded that no such intent to abandon the work was established in that case. For a similar holding see *Mills Music, Inc. v. Cromwell Music, Inc.*, 126 Fed. Supp. 54, (S. D. N. Y. 1954.) The District Court in the present action found

as a fact that "The evidence does not establish any abandonment of 'The Covered Wagon' copyright by plaintiff." (Pet. p. 2c.) Likewise, the Court of Appeals in the present action stated (Pet. p. 6b):

> "Abandonment of such rights, however, must be manifested by some overt act indicative of a purpose to surrender the rights and allow the public to copy. *National Comics Publications v. Fawcett Publications*, 2 Cir., 191 F. 2d 594, 498.
>
> "*Evidence of such an overt act is here totally lacking.* There was at most lack of action." (Emphasis added.)

In view of the statement in the Opinion of the Court of Appeals that evidence of such an overt act is "totally lacking" it can hardly be said that the Findings of Fact by the District Court were "clearly erroneous", and hence under Rule 52(a) of the Federal Rules of Civil Procedure such Finding of Fact should not be set aside.

IV.

The Effect of a Renewal Copyright Need Not Be Considered by This Court.

The effect of appellee's renewal copyright would not be raised unless it were found that appellee had abandoned its copyright under the original copyright term. Nothing in the District Court's Order for Findings and Judgment (Pet. p. 1c) or in the Opinion of the Court of Appeals indicates a finding of abandonment by appellee of its original term copyright, or of a reliance upon the effect of a renewal copyright in holding for appellee.

Petitioners argue that the trial court found for appellee on the basis of a renewal copyright theory by reason of a colloquy between the District Judge and Counsel during the oral argument on petitioners' motion for a new trial. (Pet. p. 7.) However, it is to be noted that after such colloquy, in the trial court's order on defendants' motion for a new trial the Court stated:

> "(1) even though the defense of laches may survive expiration of the first period and be carried over and asserted during the renewal period of a copyright, since the facts here of record do not show complete abandonment or such inaction or acquiescence by plaintiff in defendants' infringements of plaintiff's 'Covered Wagon' copyright as to defeat the right itself . . . there is no basis otherwise which would serve to warrant the granting of a new trial." (See Appendix A.)

From the foregoing, it is clear that the trial court's finding of lack of abandonment is not predicated on a theory that abandonment during the original term is vitiated by reason of the renewal term of copyright. By reason of the above, it is unnecessary for appellee to here argue the effect of renewal copyright. However, it may be briefly noted that in any event neither Kodascope, Eastman, nor the present petitioners may claim any interest in or license under "The Covered Wagon" copyright in view of the fact the said Kodascope Agreement did not purport to grant any renewal rights. (*Recordi v. Paramount Pictures, Inc.*, 189 F. 2d 469 (2d Cir. 1951).)

Conclusion.

It is respectfully submitted that under the authorities above cited petitioners could under no circumstances be held to have acquired the right to exhibit the print of "The Covered Wagon" for theatrical purposes. This is true for each of the following independent reasons:

1. Eastman itself did not have the right to exhibit such print for theatrical purposes.

2. Eastman did not have the right to sell a print of "The Covered Wagon" to appellants.

3. Eastman did not purport to grant to appellants the right to exhibit such print.

Moreover, there are no grounds whatsoever for finding appellee to have abandoned its copyright. By reason of the above and since in any event this action does not present an important and unsettled question of Federal law nor a conflict among Courts of Appeals, it is submitted that the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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Attorneys for Appellee Paramount Pictures Corporation.

APPENDIX A.

In the United States District Court for the Southern District of California, Central Division.

Paramount Pictures Corporation, plaintiff, vs. John Hampton and Dorothy Hampton, defendants.

Order on Defendants' Motion for a New Trial.

This cause having come before the Court for hearing on defendants' motion for a new trial, filed January 9, 1959 and the motion having been argued and submitted for decision; and it appearing to the Court that:

(1) even though the defense of laches may survive expiration of the first period and be carried over and asserted during the renewal period of a copyright, since the facts hereof record do not show complete abandonment or such inaction or acquiescence by plaintiff in defendants' infringements of plaintiff's "Covered Wagon" copyright "as to defeat the right itself." [*Menendez v. Holt*, 126 U. S. 514, 523-525 (1888); *California Packing Corp. v. Sun-Maid Raisin Growers*, 81 F. 2d 674, 679-680 (9th Cir. 1936), 974 (9th Cir. 1935); but see *Whitman v. Walt Disney Productions, Inc.*, ... F. 2d. ..... (9th Cir., December 27, 1958); *Gillons v. Shell Oil Co. of California*, 86 F. 2d 600 (9th Cir. 1936), *cert. denied*, 302 U. S. 689 (1957) *cf. Edwin L. Wiegland Co. v. Harold E. Trent Co.*, 122 F. 2d 920 (3rd Cir. 1940); *Universal Coin Lock Co. v. American Sanitary Lock Co.*, 104 F. 2d 781 (7th Cir. 1939); *George J. Meyer Manufacturing Co. v. Miller Manufacturing Co.*,

24 F. 2d 505 (7th Cir. 1928); *Window Glass Machine Co. v. Pittsburgh Plate Glass Co.*, 284 F. 2d 645 (3rd Cir. 1922)] and since this action was brought by plaintiff within nine months of the particular infringements complained of, plaintiff cannot be held guilty of laches in asserting the claims here presented [*cf. Southern Pacific Co. v. Bogert*, 250 U. S. 478 490 (1918); *Townsend v. Vanderwerker*, 160 U.S. 171, 186 (1895); *Menendez v. Holt, supra*, 128 U. S. at 523-525; *Matter of National Moulding Co.*, 23-F. 2d 69, 72 (3rd Cir. 1956); *Brennan v. Hazeley Products Co.*, 182 F. 2d 945 (2d Cir. 1950), *cert. denied*, 340 U. S. 865 (1950); *California Packing Corp. v. Sun Maid Raisin Growers, supra*, 81 F. 2d at 674. *Phillips v. The Governor & Company, supra*, 79 F. 2d at 971; *D. O. Haynes & Co. v. Druggist Circular*, 32 F. 2d 215 (2d Cir. 1929)]; and

(3) there is no basis otherwise which would serve to warrant the granting of a new trial.

It is accordingly now ordered that defendants' motion for a new trial is hereby denied.

It is further ordered that the Clerk this day serve copies of this order by United States mail on the attorneys appearing in this cause.

March 27, 1959

WILLIAM C. MATHES,
United States District Judge.

APPENDIX B.

SECTION 27. COPYRIGHT DISTINCT FROM PROPERTY IN OBJECT COPYRIGHTED; EFFECT OF SALE OF OBJECT, AND OF ASSIGNMENT OF COPYRIGHT.

The copyright is distinct from the property in the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object; but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained.